

The terms require Tadpole to pay \$10,000 to your counsel on execution of the Term Sheet. Please let me have details of the bank account to which payment should be made.

I look forward to receiving your proposals for a timetable for Stages 1, 2 and 3.

Regards

David

David Lee  
The Bell House  
Little Wilbraham  
Cambridge  
CB1 5LB

T +44 1223 813131  
F +44 1223 813181  
M +44 7801 104855

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**divestcap**

---

**From:** Bruce Hill [bruce@divestcap.com]  
**Sent:** Saturday, December 17, 2005 8:01 PM  
**To:** Kansler, Adam J.; Charles Hale; Michelle Yi  
**Cc:** Gal, Eldad  
**Subject:** RE: Term Sheet 1

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Adam,

In this particular case, Sage will be getting warrants to purchase shares of a public company listed on the London Stock Exchange. Any restrictions on use of non-public information would, I would think, be governed by UK law. However, it is relatively important the information received not prevent Sage from disposing of the shares underlying the warrants in the market.

Bruce

-----Original Message-----

**From:** Kansler, Adam J. [mailto:AKansler@proskauer.com]  
**Sent:** Saturday, December 17, 2005 6:19 PM  
**To:** Charles Hale; Michelle Yi  
**Cc:** Bruce Hill; eldad@sagecap.com  
**Subject:** RE: Term Sheet 1

For a deal like this, it think a VC type diligence list would make sense. This means you will be getting information that may be non-public. That's okay - just want to be sure that fact (and the related trading issues) are on the radar.

I send you something in the morning.

-----Original Message-----

**From:** Charles Hale [mailto:charles@divestcap.com]  
**Sent:** Saturday, December 17, 2005 5:17 PM  
**To:** Kansler, Adam J.; Michelle Yi  
**Cc:** Bruce Hill; eldad@sagecap.com  
**Subject:** RE: Term Sheet 1

Adam,

Do you have a standard legal diligence list for a transaction like the Stage I PIPE?

Thanks.

Charlie

Charles C. Hale  
Mobile: 617 818 2222  
NY Office: 212 651 9023  
charles@divestcap.com

-----Original Message-----

From: Kansler, Adam J. [mailto:AKansler@proskauer.com]  
Sent: Wednesday, December 14, 2005 6:45 PM  
To: Michelle Yi; Charles Hale; eldad@sagecap.com  
Cc: Bruce Hill  
Subject: RE: Term Sheet 1

Citibank, N.A.  
111 Wall St.  
N.Y., N.Y. 10005  
Proskauer Rose LLP  
Acct. No.: 028-38341  
ABA #: 021-000089

-----Original Message-----

From: Michelle Yi [mailto:michelle@divestcap.com]  
Sent: Wednesday, December 14, 2005 6:41 PM  
To: Kansler, Adam J.; Charles Hale; eldad@sagecap.com  
Cc: Bruce Hill  
Subject: RE: Term Sheet 1

Adam,

I don't see the wiring info in the attachment. Could you please resend?

Thanks.

Best,  
Michelle

-----Original Message-----

From: Kansler, Adam J. [mailto:AKansler@proskauer.com]  
Sent: Wednesday, December 14, 2005 5:16 PM  
To: Charles Hale; eldad@sagecap.com  
Cc: Michelle Yi; Bruce Hill  
Subject: Re: Term Sheet 1

Attached. Will call you later.

-----Original Message-----

From: Charles Hale <charles@divestcap.com>  
To: Kansler, Adam J. <AKansler@proskauer.com>; eldad@sagecap.com  
<eldad@sagecap.com>  
Cc: Michelle Yi <michelle@divestcap.com>; Bruce Hill  
<bruce@divestcap.com>  
Sent: Wed Dec 14 16:41:31 2005  
Subject: Re: Term Sheet 1

Adam - terrific. Could we get your wire info to send the first installment of our fee coverage to? Thanks. Charlie

-----Original Message-----

From: Kansler, Adam J. <AKansler@proskauer.com>  
To: eldad@sagecap.com <eldad@sagecap.com>

CC: Charles Hale <charles@divestcap.com>  
Sent: Wed Dec 14 15:37:09 2005  
Subject: Re: Term Sheet 1

Yes, would like to do it.

-----Original Message-----

From: Gal, Eldad <Eldad@sagcap.com>  
To: Kansler, Adam J. <AKansler@proskauer.com>  
CC: Charles Hale <charles@divestcap.com>  
Sent: Wed Dec 14 15:13:28 2005  
Subject: FW: Term Sheet 1

Do you have time?

---

From: Charles Hale [mailto:charles@divestcap.com]  
Sent: Wednesday, December 14, 2005 2:31 PM  
To: Vigder, Avi; Gal, Eldad; Michelle Yi; Bruce  
Subject: FW: Term Sheet 1

FYI...

Charles C. Hale  
Mobile: 617 818 2222  
NY Office: 212 631 9023  
charles@divestcap.com <BLOCKED::mailto:charles@divestcap.com>

---

From: DLeeUK@aol.com [mailto:DLeeUK@aol.com]  
Sent: Wednesday, December 14, 2005 2:12 PM  
To: Charles Hale  
Cc: swesterberg@streamtheoryinc.com; mark.kettman@ed.tadpole.com;  
john@diltsventures.com; Paul.Yibble@ed.tadpole.com  
Subject: Term Sheet 1

Charles,

Attached is a signed copy of Term Sheet 1. I have sent you the board minute extract by separate email. The password for that file is "Board".

The terms require Tadpole to pay \$10,000 to your counsel on execution of

the Term Sheet. Please let me have details of the bank account to which payment should be made.

I look forward to receiving your proposals for a timetable for Stages 1, 2 and 3.

Regards

David

David Lee  
The Bell House  
Little Wilbraham  
Cambridge  
CB1 5LB

T +44 1223 813131  
F +44 1223 813181  
M +44 7801 104855

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**divestcap**

---

**From:** Bruce Hill [bruce@divestcap.com]  
**Sent:** Friday, December 23, 2005 12:09 AM  
**To:** shlomo@gainv.com  
**Cc:** Vigder, Avi; Gat, Eldad; Charles Hale  
**Subject:** Summit Docs for Signature  
**Attachments:** Oldpoint Warrant - Revised.DOC; Agreement and Memorandum of Understanding - Dec 21 draft.DOC; Bridge Note - December 21 (2).DOC

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Shlomo,

In addition to the Subordination Agreement that Charlie already sent you, the attached documents need to be signed by Enright and/or Oldpoint as follows:

Memorandum of Understanding (MOU) - Enright and Oldpoint  
Bridge Note - Enright (if that is where the \$500K is coming from)  
Warrant - Oldpoint

In each case, I would sign and create a PDF of the signature page and forward by e-mail to Charlie or me to be held in escrow pending the receipt of the necessary documents from the other side.

Thanks,

Bruce

**divestcap**

---

**From:** Charles Hale [charles@divestcap.com]  
**Sent:** Friday, January 13, 2006 4:01 PM  
**To:** Charles Hale; Vigdor, Avi; Gal, Eldad  
**Cc:** Bruce Hill  
**Subject:** Fred Joseph

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Eldad / Avi,

Fred Joseph has expressed interest in joining us to do buyouts and other private equity. Fred runs the tech banking group of Cowen. I recall that, before Cowen, he worked in middle market LBOs as a principal.

I am going to be emailing you in more detail on this topic, but we need to make some changes. I think this could be a good one if buyouts with an arb angle are a material part of your strategy.

Please let me know your thoughts on the following, which I would send to Fred. We can talk about it next week but I would like to hear from you. Thanks.

Charlie

-----  
Fred,

Provided I get a reconfirmation from you, I am going to share your interest in Sage with the broader partnership, letting them know it is a confidential and preliminary inquiry.

I suspect there will be a good amount of flexibility with which entity you would primarily affiliate since it's more surface than substance. The major question would be mandate and alignment of that mandate with your skills.

The broader partnership is probably most concerned with building a group to do buyouts, primarily but not necessarily tech, for which we will have proprietary advantages in terms of exit. The profile for such opportunities varies widely but, generally, would include everything from 5m revs, fast growth tech to mature ecommerce and sw businesses with steady cash flow. Revenues in the world markets in which we invest would be a big plus.

Best regards,  
Charlie

660 Madison Ave., Floor 21  
New York NY 10021  
[charles@divestcap.com](mailto:charles@divestcap.com)  
Tel: 617 818 2222

**divestcap**

---

**From:** Charles Hale [charles@divestcap.com]  
**Sent:** Monday, January 23, 2006 1:38 PM  
**To:** Gal, Eldad; Sagl, Mor  
**Cc:** Hale, Charles  
**Subject:** Brokers for European Divestitures of US Companies

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Eldad – do you have Patrick's contact info? I'll brief him on what we're looking for.

Mor / Eldad – what are the other business brokers you recommend? Mor – Eldad mentioned one you have in Spain who is pretty good.

The guidance I am thinking we give is:

1. European company selling US sub
2. Technology. If non-tech, has to be really cheap (eg below book)
3. Size: any, although \$5m - \$80m revs is probably the most fertile
4. Good patterns for sourcing (in our opinion):
  - a. Sr. management change, or
  - b. Announced change in strategic direction
  - c. Need to strengthen balance sheets

Would you rather we call as Sage or DivestCap?

Charles C. Hale  
DivestCap / Sage  
660 Madison Avenue, Floor 21  
New York, NY 10021  
Mobile: 617 818 2222  
NY Office: 212 651 9023  
CHARLES@DIVESTCAP.COM

[WWW.SAGECAP.COM](http://WWW.SAGECAP.COM)  
[WWW.DIVESTCAP.COM](http://WWW.DIVESTCAP.COM)

**divestcap**

---

From: Charles Hale [charles@divestcap.com]  
Sent: Thursday, January 26, 2006 8:30 AM  
To: Gal, Eldad; Golan, Daniel  
Cc: Vigder, Avi; Bruce Hill; Michelle Yi; AKansler@proskauer.com; Callahan, Michael  
Subject: RE: RNS Draft 4.doc

Follow Up Flag: Follow up  
Flag Status: Flagged

This is a critical rep. Accordingly, the docs have the company acknowledge that no Purchaser has made any promises or commitments other than as set forth in this Agreement, including expressly that no promises or commitments for any additional investment are being made.

Mike / Adam - please confirm that this earlier this evening we fortified even further what was strong language to the above effect.  
Thank you,

Charlie

Charles C. Hale  
Mobile: 617 818 2222  
NY Office: 212 651 9023  
[charles@divestcap.com](mailto:charles@divestcap.com)

-----Original Message-----

From: Gal, Eldad [mailto:Eldad@sagecap.com]  
Sent: Wednesday, January 25, 2006 7:27 PM  
To: Charles Hale; Golan, Daniel  
Cc: Vigder, Avi; Bruce Hill; Michelle Yi  
Subject: RE: RNS Draft 4.doc

Please confirm that we have no obligation to close Stages XI and III unless we are fully satisfied with a good valuation.

---

From: Charles Hale [mailto:charles@divestcap.com]  
Sent: Wed 1/25/2006 5:31 PM  
To: Gal, Eldad; Golan, Daniel  
Cc: Vigder, Avi; Bruce; Michelle Yi  
Subject: RNS Draft 4.doc

EG / DG - Is this description of DivestCap & Sage okay? Let me know how you would like to edit, if at all. Thanks

Charlie

divestcap

From: Bruce Hill [bruce@divestcap.com]  
Sent: Thursday, January 26, 2006 12:29 PM  
To: Gal, Eldad; Charles Hale  
Cc: Golan, Daniel; Vigder, Avi  
Subject: RE: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v3CH\_CH.doc

Follow Up Flag: Follow up  
Flag Status: Flagged

Eldad,

I was in the midst of a call with Charlie getting ready to conference you in when he disappeared in the Mexican desert. He said if we got disconnected that he would call one of us back when he gets to where he is going, which I think should be in a couple of hours.

The concerns he was able to express to me while we were talking were:

1) Understanding how the economics work in detail

- a) within Sage
- b) with IRI

2) If Sage gets the same carry no matter what, why does it matter what we coinvest? Based on our conversation, I was not able to explain this to him.

He did say to me that his whole issue here is more about understanding and full disclosure than economics.

I suspect he will call you directly when he arrives wherever he is going but if he calls me I will conference you in.

-----Original Message-----

From: Gal, Eldad [mailto:Eldad@sagecap.com]  
Sent: Thursday, January 26, 2006 9:59 AM  
To: Charles Hale; Bruce Hill  
Cc: Golan, Daniel; Vigder, Avi  
Subject: RE: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v3CH\_CH.doc

Charlie/Bruce:

Please call me to confirm final structure.

Eldad

-----Original Message-----

From: Charles Hale [mailto:charles@divestcap.com]  
Sent: Thursday, January 26, 2006 8:41 AM  
To: Bruce Hill; Michelle Yi  
Cc: Gal, Eldad; Golan, Daniel; Vigder, Avi  
Subject: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v3CH\_CH.doc

<<RNS Draft 4 (3)\_ch edits.doc>> Pl <<Preliminary Announcement 2005v3CH\_CH.doc>> ease take a look at these and then send to David. In line with expectations.

Charlie



**divestcap**

---

**From:** Bruce Hill [bruce@divestcap.com]  
**Sent:** Thursday, January 26, 2006 6:37 PM  
**To:** Zahedani, Lella  
**Cc:** Kansler, Adam J.; Callahan, Michael; Gal, Eided  
**Subject:** RE: Fees

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Agreed

---

**From:** Zahedani, Lella [mailto:lzahedani@proskauer.com]  
**Sent:** Thursday, January 26, 2006 6:01 PM  
**To:** Bruce Hill  
**Cc:** Kansler, Adam J.; Callahan, Michael  
**Subject:** FW: Fees

Please see below.

---

**From:** Kansler, Adam J.  
**Sent:** Thursday, January 26, 2006 4:54 PM  
**To:** Charles Hale  
**Subject:** Fees

Charlie -

I re-ran our fees now that people have their time in. \$75k isn't going to cover us and UK based upon where we are today. If we move it to \$85/90k or so, I think it will cover us. My instinct is to ask the company to bump the amounts in the SPA (in addition to the changes we made in the Term Sheets). I don't think they will object, and it gives us some flexibility later. If we move the \$35k in the SPA to \$50k, that gives you a total hold-back of \$100k, which should keep you in good shape. Let me know what you want to do - we obviously don't want to wreck the deal over it, but they are not going to say no at this stage and once you close it may get more dicey with them.

Please let me know ASAP so we can get it out.

Thanks.

---

Adam J. Kansler  
Proskauer Rose LLP  
1585 Broadway  
New York, New York 10036-8299  
Ph: 212.969.3500  
Fax: 212.969.2900

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**divestcap**

---

**From:** Charles Hale [charles@divestcap.com]  
**Sent:** Thursday, January 26, 2006 7:39 PM  
**To:** Bruce Hill; Gal, Eldad  
**Cc:** Golan, Daniel; Vigder, Avi  
**Subject:** Re: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v3CH\_CH.doc

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Just getting in.

We caved on the carry such that we're 7% net. It's pretty tough to earn a living at that rate with even twice our deal volume, but as you know, I said yes yesterday without a peep except asking you guys to help figure out how we can come to a model that could earn sustainable dollars for Bruce and me.

On the co-invest, I don't fully understand your objections.

1. I have always inferred that our co-invest doesn't change your carry since you get carry on it either way. So, why do you care anyway? I feel like it's rough for you guys to stipulate something without telling me why
2. I know nothing about your economics and structure. Perhaps you could lay it all out for me concretely. It's hard to understand your issues without any real knowledge of your structure.
3. High co-invests are the only way our model can generate real money on tiny deals with small carry that we spend 6-9 months on. I thought you were always sympathetic to this method of making the model work.

What I'm most concerned about is figuring out a way the model can work in the long run economically. Even if it's our fault, it isn't working now. I don't like asking you to solve our problems but, for a long and successful future, we need some discussion along those lines.

Again, info and explanation would help a lot.

Charlie

---Original Message---

**From:** Bruce Hill <bruce@divestcap.com>  
**To:** Gal, Eldad <Eldad@sagecap.com>; Charles Hale <charles@divestcap.com>  
**CC:** Golan, Daniel <Daniel@sagecap.com>; Vigder, Avi <Avi@sagecap.com>  
**Sent:** Thu Jan 26 12:29:13 2006  
**Subject:** RE: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v3CH\_CH.doc

Eldad,

I was in the midst of a call with Charlie getting ready to conference you in when he disappeared in the Mexican desert. He said if we got disconnected that he would call one of us back when he gets to where he is going, which I think should be in a couple of hours.

The concerns he was able to express to me while we were talking were:

- 1) Understanding how the economics work in detail.
  - a) within Sage
  - b) with IRI
- 2) If Sage gets the same carry no matter what, why does it matter what we coinvest? Based on our conversation, I was not able to explain this to him.

He did say to me that this whole issue here is more about understanding and full disclosure than economics.

I suspect he will call you directly when he arrives wherever he is going but if he calls me I will conference you in.

-----Original Message-----

From: Gal, Eldad [mailto:Eldad@siggecom.com]

Sent: Thursday, January 26, 2006 9:59 AM

To: Charles Hale; Bruce Hill

Cc: Golan, Daniel; Vigder, Avi

Subject: RE: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v3CH\_CH.doc

Charlie/Bruce:

Please cal me to confirm final structure.

Eldad

-----Original Message-----

From: Charles Hale [mailto:charles@cdiinvest.com]

Sent: Thursday, January 26, 2006 8:41 AM

To: Bruce Hill; Michelle Yi

Cc: Gal, Eldad; Golan, Daniel; Vigder, Avi

Subject: Emailing: RNS Draft 4 (3)\_ch edits.doc, Preliminary Announcement 2005v1CH\_CH.doc

<<RNS Draft 4 (3)\_ch edits.doc>> PJ <<Preliminary Announcement 2005v3CH\_CH.doc>> case take a look at these and then send to David. In line with expectations.

Charlie

**divestcap**

---

**From:** Golan, Daniel  
**Sent:** Tuesday, January 31, 2006 2:53 PM  
**To:** Gal, Eldad  
**Subject:** FW: TomF@fdcpa.com - Character set not allowed (n/a) (n/a) (n/a) (n/a) - Re: SDI Holdings LP - Tax notice

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**From:** Charles Hale [mailto:charles@divestcap.com]  
**Sent:** Tuesday, January 31, 2006 1:44 PM  
**To:** Golan, Daniel  
**Cc:** Bruce Hill  
**Subject:** Fw: TomF@fdcpa.com - Character set not allowed (n/a) (n/a) (n/a) (n/a) - Re: SDI Holdings LP - Tax notice

Danny / Bruce - please see the following exchange.

1. Do we have a number for Knight or have we filed an SS-4? Have you heard of this issue?
2. Let's make sure Oldpoint clears these hurdles. Else we definitely need to alter TADL's structure after all.

Obviously, time sensitive!

Charlie

-----Original Message-----

**From:** Jas Erdekian <JasE@fdcpa.com>  
**To:** Charles Hale <charles@divestcap.com>  
**CC:** Ramesh Reddy <RameshR@fdcpa.com>; Tom Feeley <TomF@fdcpa.com>; Edward Johnson <EdwardJ@fdcpa.com>  
**Sent:** Tue Jan 31 09:36:29 2006  
**Subject:** RE: TomF@fdcpa.com - Character set not allowed (n/a) (n/a) (n/a) (n/a) - Re: SDI Holdings LP - Tax notice

Unfortunately no, a US tax identification number needs to be obtained for Knight Holdings Corp, if one has not been obtained. A form SS-4 is needed to apply for a number. If Paul can't do, we could.

Jas

Jas Erdekian  
Feeley & Driscoll, P.C.  
617-456-2410

Under recently promulgated Internal Revenue Service rules of practice, only written tax opinions meeting very detailed requirements may be relied upon by taxpayers for the purpose of avoiding tax-related penalties. To ensure compliance with these IRS requirements, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

-----Original Message-----

**From:** SPAM  
**Sent:** Tuesday, January 31, 2006 9:11 AM

To: Tom Feeley; Edward Johnson  
Cc: Jae Erdekian; Ramesh Reddy  
Subject: FW: TomF@fdcpa.com - Character set not allowed (n/a) (n/a) (n/a) (n/a) - Re: SDI Holdings LP - Tax notice

-----Original Message-----

From: Charles Hale [mailto:charles@divestcap.com]  
Sent: Monday, January 30, 2006 3:11 PM  
To: Tom Feeley; Edward Johnson  
Cc: Jae Erdekian; Ramesh Reddy; Bruce Hill; Michelle Yi  
Subject: TomF@fdcpa.com - Character set not allowed (n/a) (n/a) (n/a) (n/a) - Re: SDI Holdings LP - Tax notice

Tom - apologies for missing this. Enright is not a US entity. I have a W8-BEN for them. Would that suffice?

With thanks,

Charlie

-----Original Message-----

From: Tom Feeley <TomF@fdcpa.com>  
To: Edward Johnson <EdwardJ@fdcpa.com>; Charles Hale <charles@divestcap.com>  
Cc: Jae Erdekian <JaeE@fdcpa.com>; Ramesh Reddy <RameshR@fdcpa.com>  
Sent: Mon Jan 30 19:30:04 2006  
Subject: RE: SDI Holdings LP - Tax notice

Status?

-----Original Message-----

From: Edward Johnson  
Sent: Wednesday, January 25, 2006 11:19 AM  
To: charles@divestcap.com  
Cc: Jae Erdekian; Ramesh Reddy; Tom Feeley  
Subject: SDI Holdings LP - Tax notice

Charley,

Enright Holdings Corporation is the 80% owner of SDI Holdings. The return was filed without an ID number last year. We need Enright Holdings Federal ID number to resolve the IRS notice.

Please e-mail this week so we can get this issue resolved.

If you have any questions please feel free to call or e-mail.

Thanks

Ed

Edward F. Johnson, Jr.  
Feeley & Driscoll, P.C.  
200 Portland Street  
Boston, MA 02114  
Direct dial: 617-456-2434  
Fax: 617-742-0210  
Email: edwardj@fdcpa.com  
Home Page: <http://www.fdcpa.com> <<http://www.fdcpa.com>>

Under recently promulgated Internal Revenue Service rules of practice, only written tax opinions meeting very detailed requirements may be relied upon by taxpayers for the purpose of avoiding tax-related penalties. To ensure compliance with these IRS

requirements, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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**divestcap**

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**From:** Charles Hale [charles@divestcap.com]  
**Sent:** Thursday, February 16, 2006 5:49 PM  
**To:** Gal, Eldad  
**Cc:** Bruce Hill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

EG - 80% of the 1.5m TAD.L deal would be \$1.2m.

For the docs, what is the legal address of Oldpoint, or whichever entity you want to use?

The wire info for HH is:

EIN: 20-2239525

Fleet Bank  
1143 Lexington Ave  
New York, NY 10021  
FBO HH Equity Capital LLC  
Account # 9508314773  
ABA # 021202162

Please have them say FLEET Bank

Bruce / Eldad - we should probably form a new entity now for other use.

Charles C. Hale,  
DivestCap / Sage  
660 Madison Avenue, Floor 21  
New York, NY 10021  
Mobile: 617 818 2222  
NY Office: 212 651 9023  
CHARLES@DIVESTCAP.COM

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**divestcap**

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From: Gilad [Gilad@hartbay.com]  
Sent: Wednesday, February 22, 2006 9:07 AM  
To: Gal, Eilat  
Subject: FW: LOI between Divestcap and LAC

Follow Up Flag: Follow up  
Flag Status: Flagged

-----Original Message-----

From: Atsushi Matsumura [mailto:Atsushi@sagecap.com]  
Sent: Wednesday, February 22, 2006 1:33 AM  
To: Sagi, Mor  
Cc: gilad@hartbay.com; Eitan Zepkowitz; Yamada, Satoshi  
Subject: LOI between Divestcap and LAC

Lac is starting the DD on siteline.

The discussion between Divestcap and LAC will give us some benefit.

Divestcap can say to LAC that they can sit on the table but they need some commitment from them.

- 1 Price should be the range of -----
- 2 They need financial commitment from SAGE(we will give them but with ROFR)
- 3 Break up fee.
- 4 With these condition Divestcap can give exclusivity by the end of April.
- 5 Divestcap should mention to LAC that they are potentially competing with others.

These LOI will guide us the favorable term.

Charlie needs to play hard guy in this particular case.

I would like to agree on these tactics with everybody on outside.

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Atsushi